



VENDOR DIRECT FULFILLMENT (VDF)
SUPPLEMENTAL STANDARDS

Updated January 2023

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1.0 Summary of Changes

Date	Section	Section Name	Change Description	Page
1/13/2023	6.0 13.0	Ground Service Selection Requirements	<ul style="list-style-type: none"> Clarification on Next/2nd Day Air, BOSS and international shipment and EDI/CommerceHub identifiers. Clarification on calculation of Expense Offsets 	6-7 9-10
7/28/2022	6.0 7.0 13.0	Ground Service Selection Requirements VDF Shipment Billing Requirements VDF Specific Expense Offsets	New Section New Section Expense Offset related to sections 6 and 7	5 6 8
6/28/2022	2.0	Macy's/Bloomingdale's Vendor Direct-to-Consumer Overview	Vendors interested in participating in the Macy's/Bloomingdale's VDF Program should partner with their merchant contact.	3
5/31/2022	14.0	Packing Requirements	New matrix for packing requirements by merchandise type	13

2.0 Macy's/Bloomingdale's Vendor Direct-to-Consumer Overview

Macy's, Inc. and its affiliates (collectively, "**Macy's/Bloomingdale's**") have established a **Vendor Direct Fulfillment (aka "VDF") Program** (also referred to as "**drop ship**") to provide customers with a vast number of products not normally carried by either the brick and mortar or online stores of Macy's/Bloomingdale's. The items made available via VDF include odd sizes, unique colors, and secondary assortments and, in addition, VDF also permits Macy's/Bloomingdale's customers to make purchases through Point of Sale (POS) terminals in store, via kiosk devices, or by logging onto macys.com or bloomingdales.com. The VDF program permits Macy's/Bloomingdale's and our vendors to increase sales, improve customer satisfaction and enhance efficiency for our mutual benefit.

The Macy's/Bloomingdale's VDF program, which utilizes EDI and other technologies as explained herein. For those vendors unable to trade documents via EDI, a third party service can be used to assist with flexible file exchange options. Vendors interested in participating in the Macy's/Bloomingdale's VDF Program should partner with their merchant contact.

In addition to these Vendor Direct Supplemental Standards, all VDF transactions are also **governed by the [Vendor Standards](#), which include the [Master Purchasing Agreement](#)**, all as posted on macysnet.com. Note that, when utilizing EDI documents, once a customer order is taken, a purchase order (in the case of EDI an EDI 850 Purchase Order) will be automatically generated and sent to the vendor to be fulfilled. The vendor must then ship the product to the customer within two (2) business days unless another time frame is otherwise approved by the VDF program director and provide Macy's/Bloomingdale's with a shipment notification (in the case of EDI an EDI 856 ASN (Advance Shipment Notification)) indicating that shipment has been made to the customer. To complete the transaction, the vendor must submit an invoice (in the case of EDI an EDI 810 Invoice) to Macy's/Bloomingdale's for payment. The material below provides a general overview of certain requirements for vendors that wish to participate in the Vendor Direct VDF program.

3.0 Commerce Hub Requirements

In lieu of an EDI connection, vendors may be required to use the CommerceHub connection for the exchange of VDF documents.

1. Vendor agrees to strictly follow any requirements issued by CommerceHub and applicable to the OrderStream system.
2. Within 1 hour after Vendor receives a purchase order from Macy's/Bloomingdale's Vendor will acknowledge receipt through CommerceHub.
3. During seasonal peak periods determined by Macy's/Bloomingdale's Vendor, through CommerceHub, may be required to send inventory updates multiple times per calendar day.
4. Vendor must ship orders within two (2) business days of Vendor's receipt of any Purchase Order from Macy's/Bloomingdale's.

4.0 EDI Requirements

1. Vendors may use a third-party EDI provider to trade transactions where both EDI and non-EDI formats are supported. U.P.C. or EAN catalog data must be provided electronically via OpenText Catalogue™ (Macy's/Bloomingdale's preferred method) or by an EDI 832 document transmitted directly to Macy's. Contact OpenText at (877) 446-6847 to set up an OpenText Catalogue™ account, or for the direct EDI 832, call Macy's EDI Support Department at edi.support@macys.com. In addition to OpenText Catalog subscription services or EDI 832 submissions, vendors may be required to submit excel based VLL (vendor line list) or smart sheets. These Excel based sheets will be used to build vendor product records and customer facing pages for Macys.com.
2. Vendors must utilize GS1 mapping version 4010 or higher when exchanging documents. [Mapping Guides](#) for required documents may be accessed via macysnet.com.
3. Vendor must be able to retrieve **EDI 850 Purchase Order documents** throughout each business day. PO documents will be transmitted at hourly intervals throughout each day, with the exception of periodic maintenance outages on Sunday. Any variance in the vendor's EDI 850 purchase order pickup schedule must be approved by the Vendor Direct Office (contact Macys_V2C_Ops@macys.com).
4. Vendor must transmit **EDI 856 Advance Ship Notice (ASN)** the same business day that the order ships. EDI 856 documents must contain carrier tracking information, transmitted in the document's BOL field. EDI 856 documents must contain the carrier's 4-character SCAC code (see mapping). **Note:** VDF orders needing multiple cartons to ship will require a single ASN and unique tracking number for each carton.
5. Vendor must transmit **EDI 810 Invoice**. The EDI 810 document must contain the carrier's 4-character SCAC code. Charges for approved Value Added Services must be added to the 810 document in the SAC segments, including the correct qualifier (see mapping).
6. Vendor must transmit **EDI 846 Inbound - Inventory Advice**. EDI 846 documents will be transmitted once per business day unless preapproved by the Vendor Direct Operations office at Macys_VDF_Ops@macys.com (see mapping). Discontinued product lists for items no longer available for VDF must be submitted to the appropriate merchant contact.
7. Vendor must receive **EDI 820 Remittance Advice** (see mapping).
8. Vendor must transmit **EDI 997 Functional Acknowledgement** document for all inbound to vendor transactions (see mapping).

- Compliance with EDI requirements for Vendor Direct orders are subject to Macy's Expense Offset Policy detailed in the [Vendor Standards](#).

5.0 Shipping Requirements

- Macy's VDF shipments must be shipped using the UPS account(s) assigned to the vendor – either during the VDF onboarding process or as needed for additional shipping locations, unless specifically approved or directed by V2C Ops. Setup instructions are provided by the VDF Onboarding team (Macys_VDF_NewVendor@macys.com) when vendors are approved for participation in the VDF program.
- These Macy's VDF UPS accounts must ONLY be used for Macy's or Bloomingdale's Vendor Direct Fulfillment orders. Any shipping charges assessed to Macy's due to vendor non-compliance will be charged back to the vendor as outlined in [Section 13](#).
- Vendors (and/or their 3PL partners) must adhere to the Ground Service Selection Requirements in [Section 6](#) and the VDF Shipment Billing Requirements in [Section 7](#).
- Shipments that are misrouted due to vendor error must be resolved at vendor's expense.
- Vendors or their 3PL partners must not select any add-on services, package or shipment options unless specifically directed and approved by Macy's V2C Ops. Any charges for unauthorized services or options may be charged back to the shipping vendor as outlined in [Section 13](#).
- Vendors are required to enter the PO# number in both UPS reference fields when shipping with the assigned UPS account, as outlined in the Billing Instructions section below.
- Valid UPS Ship label samples per VDF Specifications (sent with UPS account assignment or upon request) will need to be submitted to the VDF Onboarding manager prior to go live.
- PO "ship to" data may contain up to four ship to lines of data (see 850 mapping guide). These EDI ship to address segments must be mapped as specified to the UPS PLD fields. This will ensure all four lines are present in both the UPS Shipping Label and Branded Packing Slip ship to addresses, and visible to UPS in the appropriate fields to avoid additional surcharges.
- Vendor's on-time ship rate must consistently meet or exceed 98.5%.

6.0 Service Selection Requirements

The guidelines below must be followed for each Ground VDF package. Vendors, including 3PL, must implement a process to utilize the correct ground service selection. Non-compliance with these guidelines may result in expense offsets, as outlined in Section 13. Next Day and Second Day Air should continue to be shipped as specified and are not impacted by the chart below.

For CommerceHub integrated vendors, when "Standard UPS Ground" is indicated via the CommerceHub routing instructions, follow the guidelines below to determine the required service. For Direct EDI vendors: when "SI" is transmitted in the TD512 segment of the EDI 850 Purchase Order to indicate Ground shipping, follow the guidelines below to determine the required service.

Package type/weight	UPS SurePost	UPS Ground
All orders weighing LESS THAN or EQUAL TO 8 lbs (except for BOSS and Borderfree international orders)	X	
All orders weighing MORE THAN 8 lbs (except for PO/APO/FPO orders)		X
PO/APO/FPO destination addresses, regardless of weight	X	
*BOSS orders, regardless of weight		X

* International orders (indicated by the EX4 identifier), regardless of weight		X
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*NOTE: BOSS (Buy Online, Ship to Store) and International Orders (via Macy's New Jersey consolidator) can be identified through the purchase order's "Care Of/Attention" fields. For Direct EDI, this will appear in the N2 segment with the MA qualifier. For CommerceHub, this will appear in the PER*IC segment.

- * BOSS POs will have a store location in this field.
- * International POs will have "EX4" in this field.

7.0 VDF Shipment Billing Requirements

Vendors, including 3PL partners, must set up their Macy's-owned VDF UPS account with Macy's as the shipper. BILL SHIPPER (aka PREPAID) must be selected for all Macy's VDF shipments.

1. Macy's UPS VDF shipping accounts are required for each vendor shipping location unless shipping locations are in the same UPS service area.
2. These set-up requirements enable SurePost as a service selection. Improper set-up will not enable SurePost.
3. "Third party" billing is no longer approved. Any surcharges due to non-compliance may result in expense offsets, as outlined in Section 13.
4. For assistance in setting up UPS as a carrier using the WorldShip option, please contact UPS at 888-553-1118. UPS will assist with account set-up, ordering supplies, creating shipping labels and scheduling pick-ups.
5. Vendors using the CampusShip or UPS.com who need assistance should contact UPS Customer Service at 877-289-6418.
6. For questions concerning general business rules and program expectations contact Macys_V2C_Ops@macys.com.
7. Direct new account requests for multiple shipping locations to: Macys_UPS_VDF_ExistingVendor_NewAccountRequest@MacysInc.onmicrosoft.com
8. Direct requests for authentication data needed to set up your current Macy's UPS VDF account as a shipper for its account address to: Macys_UPS_VDF_Shipper_Authentication@MacysInc.onmicrosoft.com

8.0 Other Vendor Requirements

1. Before beginning participation in the VDF program, a vendor must review, sign, and return the Macy's/Bloomingdale's Vendor Direct Fulfillment Agreement, which will be provided during initial contact with your partnering Macy's/Bloomingdale's merchant team.
2. Vendor must ship the complete order to the customer within two (2) business days of receiving the purchase order, unless otherwise specified in writing by Macy's/Bloomingdale's within the Fulfillment Agreement.
3. No product or U.P.C. substitutions are permitted.
4. Orders must be cancelled if the product will not ship within the required two (2) business days, regardless of reason. For EDI Vendors, notification must be sent to the VDF Operations team by emailing Macys_V2C_Ops@macys.com ; Commerce Hub vendors will originate the

cancellation notification via the CHUB portal. All vendors must advise to cancel all out-of-stock orders within one (1) business day of receiving the purchase order.

5. If vendor fails to ship or cancel the order within the required time, a late order status inquiry will be sent by the VDF Operations team via email. Failure to respond to an inquiry within one (1) business day may result in the order being cancelled.
6. All VDF deliveries must be accompanied by a Macy's/Bloomingdale's branded packing list enclosed in each carton shipped to the customer. If a vendor is unable to produce the packing list from the data transmitted in the purchase order, the vendor may opt to sign up with a third-party EDI provider, at the vendor's expense. This provider will generate a branded packing list for each order for a nominal fee. Required specifications for this packing slip are provided by the VDF Onboarding Team.
7. Vendor are required to include the Macy's/Bloomingdale's *Internet order number, reservation number and purchase order numbers* as reference on the branded packing slip to assist customer service with shipment tracking and order inquiries.
8. Wholesale cost change requests must be submitted 30 days in advance of the proposed effective date to the appropriate Macy's/Bloomingdale's merchant team using an electronic format (Excel or CSV file) that includes product U.P.C.s, along with current and proposed pricing/proposed effective date. Note that Macy's/Bloomingdale's makes its own retail pricing decisions and reserves the right to assess each cost change request. Vendor must allow a minimum of five (5) business days for cost change information to be reviewed and, if accepted, updated on Macy's/Bloomingdale's systems. If Macy's/Bloomingdale's agrees to a cost change request, orders placed while the former cost is in effect must be honored.
9. Vendors in the VDF program are reviewed monthly against Federal Trade Commission (FTC) performance benchmarks. Vendors that fall below the FTC standard are subject to review and corrective action, which includes up to probation and/or termination from the VDF program.

9.0 Daily Alerts and Notifications

Vendors may receive automated email alerts/notifications when a key response or acknowledgement has not occurred within the expected time window. Examples of such alerts include EDI 997 functional acknowledgements and order fulfillment confirmations. For any orders that are not able to be shipped, please follow the cancellation instructions and timelines listed above (see *Other Vendor Requirement, item #4*).

10.0 Claims and Returns

1. If UPS returns a customer shipment deemed undeliverable (customer refusal, incorrect/incomplete address), a vendor must contact the VDF Operations Office @ Macys_V2C_Ops@macys.com within one (1) business day. If shipment was returned due to invalid or incomplete address, vendor may be provided a corrected address to re-ship the packages.
2. If a customer contacts a Macy's Customer Service agent stating that s/he received wrong/broken/defective merchandise, the agent may advise the customer to send the order directly back to the vendor via UPS. In these instances, the vendor will receive a charge back against the order.
3. Unless otherwise agreed to, Macy's/Bloomingdale's requires its VDF vendors to accept returns directly from our customers. Customer return confirmations must sent to the VDF Operations Office at Macys_V2C_Ops@macys.com within two (2) business days. Macy's/Bloomingdale's will credit

customer once this confirmation has been received. Any changes or exclusions to such procedure must be negotiated with the vendor, Macy's/Bloomingdale's merchant, and VDF Operations Director prior to signing the agreement.

11.0 Carrier Billing Error Resolution

1. Vendors and their 3PL fulfillment partners must ensure Macy's shipments are accurately billed to the assigned Macy's VDF UPS account at the time of shipping and conduct regular audits of their shipping system settings to quickly identify any non-compliance.
2. In the event that vendor billing errors occur, the vendor must notify Macy's V2C Ops at: Macys_V2C_OPs@macys.com and take necessary steps to resume billing correctly. Error resolution and correct billing **MUST** be confirmed before Macy's will approve billing error resolution.
3. Macy's supports 2 options to resolve shipping charges billed to the vendor due to vendor/3PL error:
 - Macy's Supply Chain will issue a Letter of Authorization for rebilling by UPS for up to the last 60 calendar days of billing.
 - This will incur additional accessorial charges billed to the original shipper account.
 - For this option, the vendor must provide a list of shipments in Excel format for Macy's order file validation and prior billing check.
 - Direct reimbursement at the rates Macy's would have paid for the last 60 days of shipping with Macy's Merchant approval.
 - For this option, the vendor must provide full PLD (package level detail) in Excel format for Macy's to accurately estimate the amount Macy's would have been invoiced if billing had been processed correctly.

12.0 Order Invoicing

Vendors and their 3PLs fulfillment partners must ensure Macy's VDF invoices are submitted within a reasonable time frame. Accuracy is the responsibility of the vendor. Any errors in handling fee billing, including missing handling fees, must be submitted on Macysnet APForms, specifically the Invoice Dispute form. All inquiries must be submitted within 60 days from the original shipment. Inquiries submitted after 60 days will be denied.

13.0 VDF Specific Transportation Expense Offsets

In accordance with the [Vendor Standards](#), Vendor shall be responsible for all charges assessed by carrier for unauthorized/additional services, input errors or non-compliance, or vendor's failure to comply with these VDF Supplemental Standards. Such charges shall be offset against amounts owed by Retailer to Vendor, pursuant to the Vendor Standards.

TRANSPORTATION EXPENSE OFFSETS	FREIGHT CHARGES TO SHIPPING VENDOR
<p>All charges assessed by carrier for unauthorized/additional services, input errors or non-compliance. This is not limited to, but may include:</p> <ul style="list-style-type: none"> Missing/late/duplicate PLD (package level detail) transmission 	<p>Assessed Fee from Carrier</p>

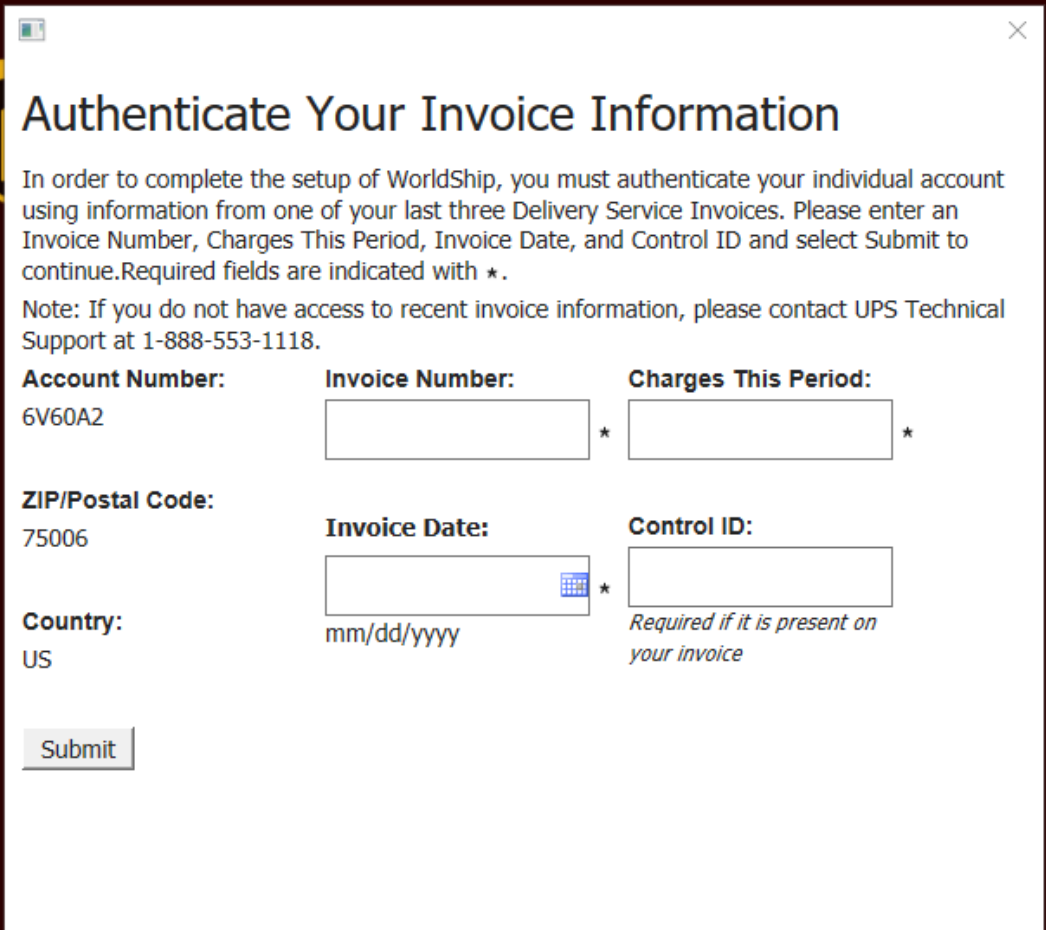
<ul style="list-style-type: none"> • Address Corrections due to vendor input error, i.e., delivery address different than EDI PO.) • Adult Signature • Indirect/Direct Signature • Declared Value • Use of Macy's VDF UPS account for non-Macy's VDF shipments 	
Incorrect Standard Ground Service selected, as defined in Section 6 .	Difference between the actual UPS charges for all shipments for specific department/vendor for the week vs. what the charges would have been if the correct service had been selected. An EXAMPLE of a tracking number for the week is included in the remarks of the transaction and can be viewed via Chargebacks and RTVs on Macysnet.com.
Incorrect billing, as defined in Section 7 .	Assessed fee from UPS for all shipments for specific department/vendor for the week. An EXAMPLE of a tracking number for the week is included in the remarks of the transaction and can be viewed via Chargebacks and RTVs on Macysnet.com.

14.0 Prepaid Freight Billing Instructions

For Macy's VDF orders, Macy's **requires** the vendor's bill PREPAID (**aka BILL SHIPPER**) using their assigned VDF account.

To execute this requirement, a new shipper profile must be created within your UPS WorldShip station(s) or your proprietary WMS and may require additional data points from UPS. Please contact V2C Ops (Macys_V2C_Ops@macys.com) when you are ready to set this up for assistance in acquiring the necessary information.

Example:



Authenticate Your Invoice Information









In order to complete the setup of WorldShip, you must authenticate your individual account using information from one of your last three Delivery Service Invoices. Please enter an Invoice Number, Charges This Period, Invoice Date, and Control ID and select Submit to continue. Required fields are indicated with *.

Note: If you do not have access to recent invoice information, please contact UPS Technical Support at 1-888-553-1118.

Account Number: 6V60A2	Invoice Number: <input type="text"/> *	Charges This Period: <input type="text"/> *
ZIP/Postal Code: 75006	Invoice Date: <input type="text"/> * mm/dd/yyyy	Control ID: <input type="text"/> <i>Required if it is present on your invoice</i>
Country: US		

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15.0 Packing Requirements by Merchandise Type

Container Type	Void Fill Type	Product Types	
Poly Bag	None		<ul style="list-style-type: none"> ◀ All apparel ◀ Handbags less than \$250 ◀ Soft home products, e.g. comforters, pillows, towels, and table linens
Carton	Ranpack Fan-Folded Paper		<ul style="list-style-type: none"> ◀ Electronics, toys, and hard home products ◀ Sheet sets (packaging with sharp corners, zippers)
Carton	Air Sheets		<ul style="list-style-type: none"> ◀ Dishes, glasses, and ceramics * Unboxed fragile items must be protected (wrapped in bubble wrap, etc.)
Carton	Ranpack Fan-Folded Paper		<ul style="list-style-type: none"> ◀ Hats ◀ All shoes and boots ◀ Handbags over \$250 ◀ Jewelry and watches
Carton	None		<ul style="list-style-type: none"> ◀ All merchandise on a hanger ◀ Belts and other accessories
Carton	Ranpack Fan-Folded Paper		<ul style="list-style-type: none"> ◀ Perfume, liquid, gel beauty products (in a bottle or tube) ◀ Fragile, breakable beauty items, e.g. palette, compacts with mirrors
Padded Mailer	None		<p>5 units or less of these items:</p> <ul style="list-style-type: none"> ◀ Tubes less than 5 ounces ◀ Non-liquid and non-gel beauty items, i.e. not in a bottle or tube and not fragile/breakable
Padded Mailer inside Carton	Per Above Category Guidance		<p>Beauty Combined: Pack the beauty items inside a padded mailer, then pack all items inside a carton</p>

If an order contains different types of merchandise and one requires a carton, the entire order must be packed in a carton.